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BEIJING REVIEW

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A CHINESE WEEKLY OF
NEWS AND VIEWS

Hu on Communist Party Relations • Zhao's Forthcoming
European Visit • Economic and Financial Plans for 1984



SPOTLIGHT

Peasant Motorcycle Race

Not long ago, a motorcycle cross-country race was held in Lingbao County, Henan Province. More than 100 peasants took part in the 16-kilometre race.

With the development of production in recent years, the incomes of peasants in the county have increased. Now they have bought more than 1,000 motorcycles.



Liu Yan, a young peasant, won sixth place.

Mo Changyin (first left), who is more than 50 years old, entered his name first for the event.

The racing rally.



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HIGHLIGHTS OF THE WEEK

Zhao's Upcoming European Tour

In China's latest diplomatic initiative, Premier Zhao Ziyang will visit six European countries and the European Economic Community headquarters in Brussels from May 29 to June 16. China and these European nations share a common hope for world peace and stability, and an enormous potential for expanding trade relations (p. 4).

Chinese Leaders on Party Relations

In meeting with a Yugoslav delegation headed by Dragoslav Markovic, Chinese leader Deng Xiaoping said that genuine Marxists must formulate policies in light of the reality of their own countries while respecting the reality of other countries and Parties (p. 9). Party General Secretary Hu Yaobang further elaborated the principles guiding the relationships between Communist Parties as well as the substance of China's foreign policy (p. 16).

Reports on Economic Plan and Draft Budget

Main points of two reports delivered at the current session of the National People's Congress are given in this issue: One on the draft plan of national economic and social development for 1984 by Song Ping, State Councillor and Minister in Charge of the State Planning Commission (p. 18), and the other on the state final accounts for 1983 and draft state budget for 1984 by Wang Bingqian, State Councillor and Minister of Finance (p. 21).

New Advances in Oil Industry

Thanks to the verification of an additional 1.06 billion tons of land-based oil reserves in the past three years, China's oil industry has entered a new stage of development. Petroleum production is planned to increase by an average of 5 per cent annually for the next seven years (p. 10).

China's Early Films Reviewed

These movies made between the 1920s and 1940s still influence today's filmmakers and audiences with their progressive realism, unforgettable images and national artistic style. Their concentration on ordinary people and their lives have helped them stand the test of time (p. 23).

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Premier Zhao's Upcoming European Visit

by MU YOULIN
International Editor

From May 29 to June 16, Premier Zhao Ziyang will visit France, Belgium, Sweden, Norway, Denmark and Italy as well as the European Community headquarters in Brussels. Following his visit to the United States and Canada, President Li Xiannian's trip to four Asian countries, and General Secretary Hu Yaobang's visit to the Democratic People's Republic of Korea, this is another important diplomatic initiative by China this year.

Although China and these European countries are far apart geographically, they have many common needs and interests. Today, when world politics are in a state of flux, they all hope both China and Europe will be strong enough to maintain world peace.

China needs to quicken the tempo of its economic construction, while Western Europe has shown great interest in China's rich natural resources and its huge market. Both sides cherish the common wish to strengthen economic co-operation and expand trade. No doubt Premier Zhao's upcoming visit to these six European countries will greatly contribute to developing long-term, stable and friendly co-operation, expanding economic exchanges and safeguarding world peace.

China follows an independent foreign policy. It will never attach itself to any big power or bloc of powers, or succumb to pressure from any nation. China has always stood for exchanges

with other countries on the basis of the Five Principles of Peaceful Coexistence. It also respects other countries' sovereign rights and will never interfere in their internal affairs. China's independent foreign policy has had an ever-greater influence in the world. And its sound relationships with

During his visit, Premier Zhao will further explain China's open policy, explore new channels for developing economic and trade relations, discuss ways to remove obstacles and bring the strong points of both sides into full play, so as to speed up the development of Sino-European economic co-operation.

many European and other countries are all based on the Five Principles of Peaceful Coexistence.

Present-day Europe is characterized by instability and unrest. The nuclear arms race between the two superpowers is escalating. The confrontation between the two military blocs has aroused the concern of many. The West European countries and peoples have strongly demanded the realization of true disarmament by the two superpowers through negotiations. They have called on the United States and the Soviet Union to restrict and destroy their nuclear weapons and reduce the numbers of conventional weapons, so as to relax the tension and ensure that people can live in peace.

The surging peace movement in Western Europe in recent years reflects the wishes of the people.

China is glad to see the development of strength through union in Western Europe, the increase of friendly contacts between Eastern and Western Europe, and the tendency towards greater independence in both spheres. China firmly supports all these factors which benefit peace and stability in Europe, and sincerely hopes Europe will play an even greater role in international affairs.

China's policies of invigorating its domestic economy and opening to the outside world have produced inspiring results. China has entered into wide economic co-operation with many countries and regions. Its modernization programme is advancing full steam, and reforms are being undertaken energetically. Facts have convincingly proved that China's policy of opening to the outside world is correct and has great vitality. This policy will remain unchanged for a long time to come. China's recent decision to open 14 more coastal cities again shows its determination to uphold this policy.

In addition, China needs to import a lot of equipment for its key construction projects, and must carry out a technical transformation of its 400,000 existing enterprises. This provides an excellent opportunity to enlarge the scope of economic and trade relations between China and the European countries.

Many European countries are

LETTERS

Excellent Article on Europe

Reading the article "Western Europe: Its Foreign Policy" by Ji Yin (issue No. 2), I was deeply impressed by the author's profound understanding of Western Europe and his precise analysis.

As a French politician, vice-president of the Centre of Social Democrats, president of the Defence Commission of the UDF (the main opposition party), vice-president of the European Union of Christian Democrats and a member of the Bureau of the Christian Democrat Internationale, I am glad to see that the author showed great interest in the efforts of the European Economic Community, and of all Western European countries, to unite and become a decisive force on the continent, not only economically but also politically.

In the same perspective, the European people are very interested in seeing China develop, and in keeping friendly relations with this great country. I visited China in 1979, and was able to see its unique and enormous human, cultural and scientific potentials, and its willingness to open up to international realities and play its due role on the world scene.

I heartily congratulate you on the remarkable quality of your magazine. I very carefully read all the news reports and commentaries in your magazine, thus learning a lot about China's viewpoint and its present situation.

Jean-Marie Dailler
Paris, France

Peasants' Enthusiasm for Science

I was greatly impressed by the article "Peasants' Enthusiasm for Science" (issue No. 11). Since the

implementation of the responsibility system in rural areas, you have carried many factual reports on this subject. I am deeply moved.

Since my retirement after 40 years as a teacher, I have been reading books about China's culture and arts. As I live in the countryside, I am quite concerned about agriculture and I am doing some useful work to contribute my share to my hometown. Our country has many difficulties in agriculture. The example of Fujian Province offers us much to learn.

I like the colour front cover of issue No. 4 the most. The whole page was covered by a colour picture, with the eye-catching words "Beijing Review" at the top and two headlines below. This design makes the magazine really stand out. It certainly does not look inferior to other magazines. I hope you will continue to carry this type of colour covers.

Shoichi Masubuchi
Tochigi, Japan

Help Us Know China

We like your international column because we are especially interested in China's attitude towards international issues.

Your magazine is helpful to us in many ways. As a political journal, it helps us students know more about Chinese life. Your magazine includes a variety of topics and columns, and gives us much helpful information about China. Generally speaking, *Beijing Review* is useful to those foreigners who take an interest in China. We hope your magazine will continue to be of such great service in our library.

Kausar Library
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just pulling out of an economic depression. They urgently need to expand their imports of raw materials and energy and their exports of industrial products. They are trying to make rapid progress in new technology and structural reform of industry, and urgently need to find a market for their new products. They clearly understand that expanding economic and trade relations with China will help in their economic recovery.

China and the European countries have long-standing economic and trade relations. During his visit, Premier Zhao will further explain China's open policy, explore new channels for developing economic and trade relations, discuss ways to remove obstacles and bring the strong points of both sides into full play, so as to speed up the development of economic co-operation between China and Europe.

In recent years, visits between the Chinese and Europeans have increased. The leaders of many European countries have come to China. When Premier Zhao returns these visits, he and his counterparts will fully exchange views on bilateral relations and international issues of common concern, so as to strengthen mutual understanding and friendly co-operation. We wish Premier Zhao's visit a complete success.

NPC Deputies Discussing Three Reports

Since May 17, the 2,671 deputies to the current session of the Sixth National People's Congress have been discussing the government work report given by Premier Zhao Ziyang, the report on the draft 1984 plan for national economic and social development by Song Ping, Minister in Charge of the State Planning Commission, and the report on the final accounts for 1983 and the draft state budget for 1984 by Wang Bingqian, Minister of Finance (for excerpts of the last two reports, see pp. 18-21).

Panel discussions were concentrated on the restructuring of the economy and opening to the outside world. One Beijing deputy said that eliminating the practice of "eating from the same public pot" was the key to urban reform. Only in this way can the urban economy begin to take off.

A Shanghai deputy said his city can only play its full role in the economy after reforms. He stressed three points in carrying out structural reforms. First, one must further emancipate the mind, second, one must be brave enough to stand up to difficulties and risks, and third, one must fight against bureaucracy.

On opening to the outside world, a deputy from Guangdong, where the first special economic zones were established, said it had been proven that this policy is perfectly correct. Relevant measures and principles must be constantly put into practice to guarantee the smooth implementation of this policy. Cadres favouring the reform must be supported, and more creative people must be trained. The deputies said they



Deputies from Inner Mongolia discuss government work report.

hoped the relevant departments under the State Council will work out more specific policies.

Meanwhile, delegates to the Second Session of the Sixth National Committee of the Chinese People's Political Consultative Conference, besides discussing Premier Zhao's report on government work, also offered many good ideas on such issues as the united front work, the role of the CPPCC, the struggle against bureaucracy and the

return of Taiwan to the motherland.

On the afternoon of May 22, the deputies listened to and discussed the explanations of the draft law governing regional national autonomy, given by Ngapoi Ngawang Jigme, Vice-Chairman of the NPC Standing Committee, and the explanations of the draft conscription law given by Yang Dezhi, Chief of General Staff of the Chinese People's Liberation Army.

Yugoslavia's Non-Alignment Highly Valued

General Secretary Hu Yaobang has told a delegation from the League of Communists of Yugoslavia (LCY) that "the Chinese Government values and firmly supports the non-aligned movement and the non-aligned policy pursued by Yugoslavia."

At a banquet on May 18 in honour of the delegation, Hu also said China "supports the great struggle waged by growing numbers of people the world over against the arms race, nuclear weapons, the threat of a new world war and big-power politics.

along with the non-aligned countries and all peace-loving nations."

The delegation, led by Dragoslav Markovic, President of the Presidency of the LCY Central Committee, arrived in Beijing on May 18 at the invitation of the Chinese Communist Party Central Committee.

Hu said Yugoslavia, a founder of the non-aligned movement, was the birthplace of non-aligned thought and policy, and he praised Yugoslavia for consistently adhering to the policy of non-alignment, independence, and self-determination over several decades.

He said the late President Josip Tito, a great Marxist, lit the torch of non-alignment and made a great historic contribution to the rise and growth of the non-aligned movement. After Tito's death, Yugoslavia has continued to safeguard the fundamental principles and proper orientation of the non-aligned movement and worked consistently for the relaxation of tension in Europe and other parts of the world and for the maintenance of world peace.

Hu also spoke about the substance of the China's independent foreign policy, based on self-determination, and proposed the principles governing relations between Communist Parties (Excerpts of speech see p. 16).

During his stay in Beijing, Markovic held two rounds of talks, during which the two sides discussed the domestic situations in both countries.

Markovic, who is the highest LCY leader to visit China since Tito's visit in 1977, said the ties between the Chinese and Yugoslav Parties were based on the principles of independence, equality, mutual respect and non-interference, ensuring their long-term and stable development.

Hu paid tribute to the LCY for its unique international contribu-



Dragoslav Markovic waves to a cheering crowd in Beijing.

tions. He said the Parties of both China and Yugoslavia share common views on many international issues.

The two sides expressed the desire to promote further growth of Sino-Yugoslav economic relations.

Meeting with Markovic and his delegation on May 20, Deng Xiaoping, Chairman of the Central Advisory Commission of the Chinese Communist Party, said, "True Marxists must formulate policies in light of the reality of their own countries while respecting the reality of other countries and Parties."

Deng added that "those who pick holes in other Parties and try to order them about are bound to commit mistakes."

"Dialectical and historical materialism is most fundamental tenet of Marxism," he said. "This boils down to 'seeking truth from facts' in Chinese phraseology. We cannot possibly know better about the reality of Yugoslavia than Comrade Tito. Similarly, the Chinese people know best about China's reality."

"We have come to see this more

clearly by summing up our experience since the Third Plenary Session of our Party's 11th Central Committee in 1978. We have been developing our relations with fraternal Parties and other countries on this principle," Deng said.

Markovic said, "In our talks with the leading comrades of the Chinese Communist Party, we affirmed that our two Parties share identical positions and views. Yugoslavia maintains that in the international Communist movement, different problems must be tackled by different methods in light of varying conditions and by respecting the characteristics of different countries. Seeking truth from facts is the basis from which Marxists proceed to tackle all problems."

President Li Xiannian and Peng Zhen, Chairman of the NPC Standing Committee, met separately with Markovic on May 19.

Li said he was very satisfied with the present development of the relations between the two Parties and the two countries, noting that both China and Yugoslavia grew "out of the barrel of

a gun" through protracted armed revolutionary struggle.

Peng said, "Our two Parties and two peoples have enjoyed profound friendship."

Ecuador Praised for World Role

President Li Xiannian has praised the Ecuadorian Government for taking an active part in the non-aligned movement, and the Group of 77 and the Organization of the Petroleum-Exporting Countries (OPEC).

"It supports just solutions to the problems of Afghanistan, Kampuchea, and Central America," Li said at a banquet in honour of Dr. Osvaldo Hurtado, Ecuador's President. "It opposes aggression and expansionism and stands for a change in the irrational international economic order, so as to promote the integration of the Latin American region."

The Latin American countries have been particularly affected by the impact of economic crises in the developed countries, Li noted.

He also said he appreciated the programme mapped out by the 12th LCY Congress in 1982 and pointed out that the league has made great progress since then.

is still a developing country, giving it an affinity with the other third world countries.

Hurtado, the first Ecuadorian president to visit China, arrived on May 14.

He said all of Latin America was currently suffering from an economic crisis, with the middle and working classes suffering from unemployment, inflation and starvation — unknown in Latin America not so long ago.

To overcome the crisis, the Latin American people should make sacrifices, work hard and embrace austerity, Hurtado said. This is necessary if progress is to be made by relying on their own potential and resources.

In his talks with Hurtado, Li said that China carries out an independent foreign policy and does not attach itself to any large country or bloc; nor does it yield to pressure from large countries.

In handling international affairs, he said China judges the merits of each case according to the basic interests of the Chinese people and people the world over.

The Chinese Government attaches importance to developing its relations with Ecuador, Li said, praising the Ecuadorian Government for making the Latin American economic conference held in Quito in January a success. The conference enhanced unity and co-operation between Latin American countries and promoted South-South co-operation. The Chinese Government supports efforts made by Latin American countries to improve international economic relations.

Hurtado said he had been looking forward to visiting China for a long time. The Ecuadorian Government attaches importance to developing relations with China, not only because of China's important role in international affairs, but also because of their identical

Deng Xiaoping meets with Osvaldo Hurtado.



'China Always Belongs to Third World'

"China belongs to the third world and will still belong to the third world in 50 years, when it has progressed economically. China's current relations with the developing countries are those of sharing in their hardships and triumphs. However, these relations will remain unchanged even after 50 years."

"There are two basic questions facing the world. One is opposition to hegemony and defending world peace. Hegemonist rivalry is the major source of current international tensions, making opposition to hegemony and the defence of world peace the common tasks of the third world nations. The other question is the North-South issue. This is a very important aspect of international relations. Therefore, we should solve the problem of the North-South dialogue while promoting South-South co-operation."

"There are broad prospects for co-operation between the third world states and more will be seen in the future, although there is not much co-operation now."

— From Deng Xiaoping's talks with Ecuadorian President Osvaldo Hurtado on May 17

positions on many world issues. These common points and interests constitute a solid foundation for developing friendly relations, he added.

Premier Zhao Ziyang, at a meeting with Hurtado, said: "We attach great importance to the experiences in economic construction in Ecuador and other Latin American countries. Our two countries can exchange experiences in every field, learn from each other and make up each other's deficiencies."

Deng Xiaoping, Chairman of the Central Advisory Commission, met with Hurtado on May 17. He said China and Ecuador are both developing nations facing the same questions and sharing much common ground. They know each other well and find it easy to be friends despite the relative shortness of their formal diplomatic relations.

Speaking at a press conference May 17, Hurtado said that through his visit to China he has found that the two countries share identical views on a wide-range of international issues. He said his

talks with Chinese leaders went smoothly, adding that the prospects for developing bilateral relations are broad.

On May 17, China and Ecuador signed a basic agreement on economic and technical co-operation.

Zhao Sees Head Of Thai Military

Premier Zhao Ziyang, in a meeting with General Arthit Kamlang-Ek, Supreme Commander of the Thai armed forces and Commander-in-Chief of the Royal Thai Army, has reiterated that it is China's firm policy to develop friendly relations with Thailand.

Zhao, who met with Arthit on May 16, also said that China maintains that the Kampuchean question would be eventually solved by political means, but that the political solution must be based on the withdrawal of Vietnamese troops. He expressed his appreciation of the proposal put forward at the ASEAN foreign minister's conference which demanded that Viet-

Nam withdraw its troops from Kampuchea.

The recent blows dealt to Vietnamese troops by the Thai armed forces safeguarded their country's sovereignty and contributed to peace in the region, Zhao said. The Chinese people deeply admire the Thai army and the Thai people's spirit of defying brute force.

Arthit said that China's position on the Kampuchean problem had won appreciation the world over. As well, its opposition to Vietnamese aggression in Kampuchea would play an effective role in seeking a political solution to the problem, he said.

Arthit arrived in Beijing on May 15 for a week's visit at the invitation of Yang Dezhi, Chief of the General Staff of the Chinese People's Liberation Army.

At the banquet in Arthit's honour, Yang said the situation in Southeast Asia is tense and turbulent and that the Chinese people and the people of this region are facing the common task of opposing aggression and hegemonism and maintaining peace and stability.

Strengthening the friendly relations between China and Thailand and their armed forces was beneficial not only to the two peoples but also to peace and stability in Asia and the whole world, Yang said.

HK Public On UMELCO Statement

On May 9, a delegation of nine unofficial members of the Hong-kong Executive and Legislative Councils (UMELCO) issued a statement on Hongkong's future before leaving for Britain.

Speaking at Hongkong Airport, Sze-Yuen Chung, Chief Unofficial Member of the Executive Council

and head of the delegation, said they were to meet ministers and members of the British Parliament to "reflect the views and wishes of the Hongkong people." In the statement, the nine UMELOCO members referred to Hongkong's "constitutional link with the British crown" which, they said, had "provided an effective external insulator against interference from the Chinese Government." They also claimed that the Hongkong people "feel very disappointed at the imminent withdrawal of this link with Britain."

For the last few days, the people of Hongkong have been commenting on this statement. They have pointed out that it did not express the opinion of the majority of people in Hongkong.

On May 12, Chen Yiu-Tong, Deputy Director of the Hongkong Federation of Trade Unions, said most Hongkong people, in fact, want the Chinese and British Governments to reach an early agreement. "This will only help stabilize Hongkong society," he said. "The Hongkong people would also like to know the content of the agreement as soon as possible. The UMELOCO statement, however, did not reflect these opinions of the Hongkong people. In fact, the views in the statement will only create obstacles between the Chinese and British Governments in working to reach an agreement."

Urban Councillor Lam Chak Piu said he talked with some workers who all believed that the statement was not representative.

On May 11 an article in *Centre Daily News*, a Hongkong paper, said these UMELOCO members were not only seeking advantage for themselves, but had also defied public opinion. "They claimed that the 2.7 million Hongkong people, like themselves, would beg the British to look after them. They are really pitiful, because they still refuse to give up their old ideas," the article said.

Chinese Citizens to Have ID Cards

All Chinese citizens over the age of 16 will be required to carry identification cards issued by the Ministry of Public Security, according to an April 6 decision by the State Council.

Members of the armed services, armed police, prisoners and those undergoing re-education through labour, a penalty for minor offences, will be excepted.

All citizens must apply for ID cards from the public security organizations which registered their permanent residence, carry their cards with them at all times and show them when asked by public security officers.

With ever-increasing domestic and international commercial and social intercourse, Public Security

Minister Liu Fuzhi said the identification cards are one important reform of the old practice whereby all citizens are identified by their residence booklets. The aim of the new system is to maintain good social order, encourage a brisk national economy and safeguard the just rights of all citizens.

A Chinese citizen can now be identified by his work card or residence booklet and letters of introduction issued by the organization where he works, Liu explained. But work cards and letters of introduction have legal status only in some departments, and residence booklets are valid only in the locality and are not convenient to carry.

ID cards will be issued in Beijing first this year.

New Advances In Oil Industry

China's petroleum production has been stable at more than 100 million tons annually and its crude oil output has been going up steadily in the past five years. Averaging 304,000 tons a day, this year's oil output is expected to reach 110 million tons, and production is planned to increase by an average of 5 per cent annually for the coming seven years.

Many new petroleum reserves have been verified. Between 1981 and 1983, Chinese geologists confirmed an additional 1.06 billion tons of land-based oil reserves. Of these, 85 per cent are in the eastern part of the country, which is economically developed and has good transportation facilities. In 1983 alone, China verified 570 million tons of land-based crude oil reserves—the third largest annual reserves ever proven since the Daqing Oilfield, now the country's largest oil producer, was opened in the early 1960s. China's known

land-based oil reserves are expected to double by 1990.

The Shengli Oilfield, in the Huanghe (Yellow) River Delta, is a rising star in China's petroleum industry. Built in 1964, this oilfield produced 18.37 million tons of crude oil in 1983—2.03 million tons more than in the previous year—and has verified reserves of 200 million tons, which is equivalent to the additional total reserves of the preceding six years. Crude oil output in the first quarter was 5.01 million tons, 15.9 per cent more than the corresponding period last year. According to proven oil reserves, it is expected that the Shengli Oilfield will produce 50 million tons of crude oil a year by the end of the 1980s and become the second Daqing Oilfield.

The technology and equipment used in China's petroleum industry have also improved greatly through importing advanced foreign technology and key equipment.



An advanced drilling team in Shengli Oilfield can drill 50,000 metres a year.

During an inspection tour of Shandong's Shengli and Henan's Zhongyuan Oilfields this past April, Premier Zhao Ziyang affirmed the achievements of the petroleum industry and called on all its workers to make greater contributions to China's modernization and ease the country's tight financial

situation. He said considering the situation as a whole, the industry's primary task is to strengthen geological exploration and increase oil reserves. In the next few years, efforts should be made to drill new high-yield wells in promising oil-fields, and to raise the per-unit output

on economics, technology, materials and professional training were reached.

Participants agreed to hold meetings of this kind once a year, and decided to set up a permanent administrative body in Chongqing to handle daily affairs.

One of the major resolutions passed at the meeting is to speed up the construction of energy supply bases in southwest China, with emphasis on electric power. Water power reserves in the area are estimated at 280 million kilowatts, or 43 per cent of the nation's total. Surveys show 12.6 per cent of China's total coal reserves are also in the area.

A group of large-scale hydro-power stations are planned for the upper reaches of the Jinsha, Wujiang and Hongshui Rivers. A large number of thermal power stations will also be built at Liupanshui and two other coal-rich areas in Guizhou Province.

Wang Zunxiang, head of the Southwest China Electric Power Bureau, is now in charge of developing power resources in the area. He said China will develop the area's power resources in various ways. The state and provinces in southwest China will invest in these projects but we also welcome investments from foreign companies.

Co-ordinated Economic Area

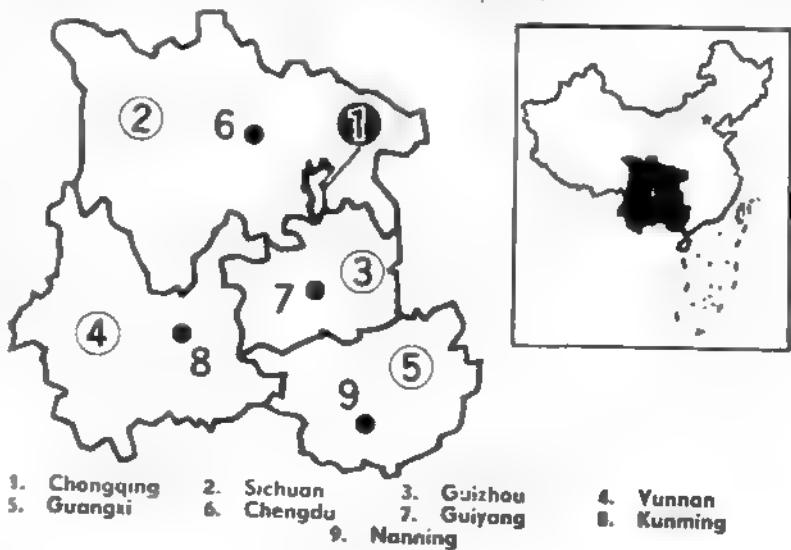
The southwest provinces of Sichuan, Guizhou and Yunnan, the Guangxi Zhuang Autonomous Region and the city of Chongqing, the largest economic and trade centre in southwest Sichuan Province, will all be co-operating economically to build this area into an important base for energy resources and industry

The special relationship was decided upon at the first meeting on economic co-ordination attended by leaders of all the places concerned.

The combined area covers 1.376 million square kilometres, with a population of more than 200 million. Rich with coal, iron, non-ferrous metals and plenty of water, conditions are ripe for developing energy and other heavy industries. But underdeveloped transportation and a low level of science and technology have long caused economic development in the area to lag be-

hind that of China's coastal areas.

The meeting, held in Guiyang, capital of Guizhou Province, was designed to give play to each place's strong points, to speed up economic and technological development through economic co-ordination. More than 200 bilateral and multilateral agreements



Afghanistan

Soviet Offensive Gains No Ground

by LI WENZHENG

THE recent large-scale Soviet offensive into the strategic Panjshir Valley north of Kabul has not changed the military situation in Afghanistan. The guerrillas, despite four years of Soviet occupation, have grown stronger, now numbering over 100,000, and control about 80 per cent of the rural areas and mountains.



The offensive, the seventh into the Panjshir in more than four years, began on April 21, when between 15,000 and 20,000 Soviet troops in three contingents, together with 400 to 600 tanks, pushed forward in the narrow valley where guerrilla commander Ahmad Shah Masood is based. They were supported by about 100 Tu-16 Badger and Su-24 Fencer fighter-bombers conducting unprecedented saturation bombing. It is reported they have reached the central part of the 110-kilometre valley amidst fierce fighting.

According to a guerrilla spokesman earlier this month, the attack has resulted in heavy losses for the Soviet and Karmal regime

troops. He said that the guerrillas had killed about 400 troops and destroyed 65 tanks and 20 armoured personnel and fuel carriers in the Salang Pass, and had killed or wounded about 700 soldiers in another region. They also are dynamiting cliffs to blockade roads, planting mines and ambushing Soviet troops both within the valley and outside.

The valley's rugged topography favours the flexible tactics of the guerrillas while putting the heavily mechanized Soviet troops at a disadvantage. There is only one highway through the valley, with cliffs on one side and a river on the other, which means the Soviet troops must move slowly and are easily attacked. During these large-scale offensives, the Masood guerrillas stay clear of the Soviets' main force and strike at the weak points, making it difficult for the Soviets to gauge the guerrillas' true strength. The guerrillas are also able to exploit the topography to make invisible advances and retreats.

This hit-and-run style of fighting

has been especially useful in the latest attack, during which the Soviets had heavy air support. The guerrillas let them fight with their own shadows, leading Western military observers to theorize that the guerrillas have adopted divide-and-conquer tactics.

The valley, which has about 80,000 inhabitants, is of great strategic importance because it is from there that the Masood guerrillas strike at the major lines of communication leading to Kabul and Bagram, the largest Soviet air base in the country. This explains why the Soviets have attacked it six times (each time unsuccessfully).

Not long before the latest offensive, the Soviet Union expressed its willingness to seek a political solution to the Afghan issue. However, it still refuses to withdraw its troops from the country. In fact, with the US position in the Middle East weakening, it is trying even harder to control Afghanistan, with its strategic position near the Indian Ocean. In the past three months, Moscow has dispatched at least 20,000 to 30,000 troops to Afghanistan, and the Karmal regime has increased conscription. The latest offensive in the Panjshir is obviously not a move to seek a political solution to the matter, but rather a blatant attempt by the Soviet Union to strengthen its position in Afghanistan.

Soviet Union

Olympics Pullout Aimed at Reagan

by CHEN SI

MOSCOW'S decision to boycott this summer's Olympic Games in Los Angeles came as a

surprise to many people. But in fact this latest move is simply a continuation of the chill in US-Soviet relations since the Geneva talks on intermediate-range nuclear missiles broke down last Novem-

ber. US Secretary of State George Shultz describes the Soviet boycott as "part of an overall Soviet plan to put relations with the United States in a sort of deep freeze."

Last February, after the death of former Soviet leader Yuri Andropov, US President Ronald Reagan sent Vice-President George Bush to attend the funeral in Moscow, where Bush and Soviet leaders paid lip service to improving relations between their two countries. These good intentions, however, have come to nothing, with each side finding it impossible for the other to give in under the present circumstances.

According to political observers and news analysts in Washington, Moscow's alleged fear that the United States cannot provide adequate security for Soviet athletes is the secondary reason or a pretext for its withdrawal. Instead, there are two reasons behind its decision.

First, its withdrawal is a way of taking revenge on the United States for initiating the boycott by more than 50 countries of the 1980 Moscow Olympics following the Soviet invasion of Afghanistan. Now Moscow hopes to inflict political and economic losses on the United States.

Second, and what is more important, Moscow is in effect saying to the American public that it is unwilling to deal with an intransigent Reagan, and unless he is replaced, ties with Washington cannot be improved. The pullout can thus be regarded as a blow at Reagan to foil his re-election efforts.

The Soviet decision, besides hurting US and Soviet athletes and tarnishing the Olympic ideal, has also had its effects on the US presidential elections. For instance, Democratic candidate Jesse Jackson met Soviet Ambassador Anatoliy Dobrynin to suggest that he fly to Moscow to persuade the Soviet

leaders to reverse their decision. However, it seems that the Kremlin has made up its mind, and Jackson's actions are only an interlude. An editorial in the US-based *Christian Science Monitor* noted that Moscow's excessive interference in the US elections will have a contrary effect and actually help Reagan.

US press generally views the Soviet boycott as a prelude to further deterioration of relations between the two superpowers. The *Washington Post* suspects that "the Soviet leadership is preparing for a major propaganda showdown with President Reagan and his administration."

US officials have conceded that the talks on intermediate-range missiles and strategic nuclear arms are unlikely to be resumed before the US election this fall. The recent US proposals for a ban on chemical weapons and a reduction of conventional forces in Europe have also been spurned by the Soviets. The two countries have even failed to agree on cultural

exchanges and consulate affairs, let alone hold a summit.

Some people in Washington fear that Moscow will go far beyond walkouts from nuclear negotiation tables and athletic events and that a dangerous situation may follow. Yet, their military expansion and rivalry throughout the world notwithstanding, neither superpower wants a head-on clash now because they have other problems.

Chernenko faces a multitude of difficulties at home and abroad. Recently Moscow dispatched airplanes and tanks to Afghanistan for a major campaign, indicating its poor situation there. The United States is busy preparing for the coming election while faced with growing public demand for peace and detente.

Barring unexpected events, US-Soviet relations will remain stalemated for some time to come. But despite the likelihood of quarrels and frictions breaking out at any time, both sides will keep restrained and continue their dialogues at low levels.

Yugoslavia

Rotating the Collective Presidency

by YANG CHENMING

ON May 15, a new Presidency took office in Yugoslavia. At its first session, the Presidency, the country's highest executive body, elected Veselin Djuranovic as president and Radovan Vlajkovic as vice-president, both for one-year terms.

The outgoing Presidency was formed in 1974 and renewed its term of office in 1979 at the suggestion of then President Josif Broz Tito, who had been head of it until his death in May 1980. At that time, his responsibilities were transferred to the collective

Presidency, which now exercises the rights and duties of a head of state.

According to the Yugoslav constitution, the Presidency consists of the President of the League of Communists of Yugoslavia (LCY) and eight elected members from the country's six republics and two autonomous provinces. The posts of president and vice-president rotate annually according to a fixed sequence of republics and provinces. Presidency members are elected for 5-year terms, and no one may be elected more than twice in succession.

The newly elected members are

experienced revolutionary fighters who joined the anti-fascist struggle early in World War II and took prominent posts in the state and the Party. Their average age is 61, six years younger than the previous Presidency.

Tito advocated the decentralization and devolution of power from the federation to the constituent republics and provinces, and the principle of the collective leadership system and regular rotation of leadership posts is based on his proposal. It has been written into both the national constitution and the Programme of the LCY.

This system of collective leadership embodies the principles of equality and unity between the country's various nationalities and it also helps stabilize Yugoslavia's internal situation.

Tito's proposal in 1970 for establishing a system of collective leadership was welcomed and supported by the Yugoslavians, and later was incorporated in the Yugoslavian constitution through an amendment. A collective state Presidency was then established. The amendment stipulates that each republic elects three members and each autonomous province two members. Tito, as LCY President, was automatically a Presidency member.

After having been put into practice for several years, the collective leadership system is seen to suit Yugoslavia, and the principle of the Presidency exercising the rights of head of state has been included in the new Yugoslavian constitution. The number of Presidency members has decreased from the original 23 to 9.

The constitution stipulates equal rights for the republics, regardless of size, economic status and population. For example, a Presidency member from the Republic of Montenegro with a population of 500,000 enjoys equal voting rights with the member from the

Republic of Serbia with a population of 9 million.

Presidency members are responsible for resolutions made by the collective Presidency. No single member has the right to make a decision in the name of the Presidency. According to the charter of Presidency, a resolution needs at least five votes to be passed, and, in certain circumstances, a two-thirds majority is required.

The Yugoslavian press has revealed that Presidency members

have always reached a consensus on resolutions through cordial, comradely mediations. Stane Dolanc, Member of Presidency, once said, after Tito's death, that the Presidency is a model for working collectively, drawing up and passing resolutions and sharing responsibility.

The recent rotation of Yugoslavia's executive leadership embodies the stability of the country's domestic political life and the unity of the various nationalities.

Brazil

Newly Emerging Industrialization

by CHENG BING

AFTER more than 20 years of efforts, Brazil has built itself into an industrialized country, increasing its gross domestic production more than eight-fold, from US\$247 in 1960 to US\$2,241 per capita in 1981. This has made it one of the very few economic powers among the developing countries. Compared with the Western developed countries, it has pulled ahead of Canada and Australia, while remaining behind only the United States, Japan, Federal Germany, France, Great Britain and Italy.

The economic boom is the result of the rapid development of Brazil's industry, which makes up 34 per cent of its total national output value. Of this, 27 per cent comes from manufacturing.

Brazil has now set up a relatively complete industrial system producing a variety of consumer and capital goods. It ranks among the world's top 10 in the production of many industrial goods. Steel production has been especially good, jumping Brazil from 20th in 1970 to seventh in 1980.

Brazil also stands out among third world countries for its rapidly developing airplane industry. In the 10 years after 1971, when Brazil built its first experimental plane, more than 2,700 military and civilian planes have been produced. It ranks sixth in the world in the production of light aircraft.

Brazil's automobile industry raced along at a 22 per cent annual production increase in its heyday. In 1980 the country produced 1.16 million cars, placing it eighth in the world. It now exports cars and trucks to more than 100 countries and regions, including the United States, Japan and Federal Germany, which are the world's biggest auto producers. Noticeably, it takes the lead in making cars which run on alcohol.

Brazil's nuclear industry, although begun later than other countries, is swiftly expanding. At present, the country has joined the ranks of nations who generate nuclear energy.

Brazil's success in developing its industry comes because it has adopted economic policies and strategies based on its own needs and conditions. Since the 1930s, it has been pushing an import-substitute

policy, and developing its heavy industry. During the mid-1960s, it adopted a strategy of expansion abroad, and stressed strengthening contacts with international markets. Since the mid-1970s, the Brazilian Government has encouraged import-substitution and increased exports. Through the exchange of goods, labour, funds, culture, science and technology, this policy has given a big push to the capital replacement and technical revolution at home. At the same time, foreign funds have been used effectively to introduce advanced technology and equipment, which have then been used to promote economic development. In addition, the government has increased investments in education, exploited human resources, trained more scientists and technicians and put experts and scholars in important positions.

However, Brazil's economy is

directly influenced by the world economy, because it is heavily dependent on international markets. For more than three years, buffeted by the world economic crisis, Brazil's national economy has been declining. In 1983, its gross industrial output value dropped 7.9 per cent. The country ran up more than US\$90,000 million in foreign debts, becoming the biggest debtor among the third world countries.

At present, the Brazilian Government is readjusting its economic strategies to ease its current difficulties. It has shifted its goal for economic development away from speedy industrial growth and stopped borrowing from abroad to invest in production. It has begun to give priority to energy, agriculture and exports. Along with these measures, it has tried to strengthen the weak links in the Brazilian economy and readjust the proportional relations between economic sectors.

The rapid population growth during the past quarter of a century has resulted in a relatively young African population. More than half of the Africans are now below the age of 20. This fact will no doubt have far-reaching demographic, and even social and economic implications for Africa's future. In addition, the urbanization of population has caused serious employment and housing problems.

Population experts who attended these conferences are emphasizing the importance for the continent of both birth control and a proper relationship between population and development, so as to produce a healthier, less dependent and more productive population.

But at the same time they are satisfied with the solid footing family planning has gained in many African countries. It has had considerable success in Tunisia, for example, where the government has provided related services, information and education. In Nigeria, the most populous country in Africa, a population commission has been set up to enforce birth control regulations.

However, traditional prejudices remain a major obstacle to these efforts. The governments of many African nations face an extremely difficult task trying to free their people from such beliefs.

Africa

Efforts to Solve Population Problems

by TENG WENQI

MORE and more African countries have realized the seriousness of overpopulation and have adopted strong measures to encourage birth control.

Demographers have estimated that Africa now has about 500 million people, approximately one-eighth of the world's population. However, its population growth rate is higher than that on any other continent. With an annual growth rate of 2.7 to 3 per cent, the population today is more than three times what it was in 1900 and, according to a United Nations projection, it may well reach 813 million by the year 2000.

The fast growth rate has convinced these countries to stress the urgent need to deal with overpopulation in the process of social and economic development, and not just by birth control. This approach dominated the three important international conferences on population problems held in Africa this year.

Mengistu Haile Mariam, Ethiopian head of state and current Chairman of the Organization of African Unity, remarked, "The ever-increasing pace in demographic growth, which does not at all correlate with growth in productivity, is one of the factors affecting Africa's economic development."



Hu Yaobang on Communist Party Relations

Following are excerpts of the speech made by Hu Yaobang on May 18 at a banquet he hosted for a delegation of the League of Communists of Yugoslavia headed by Dragoslav Markovic, President of the Presidency of the Central Committee of the League of Communists of Yugoslavia. — Ed

CHINA follows an independent foreign policy. What is the quintessence of this policy?

To put it in a nutshell, independence means that China will never attach itself to any big power or bloc of powers, yield to the pressure of any big power or ally itself with any big power.

For us, an alliance with big powers has two disadvantages. First, it would probably hinder or at least affect our efforts to make more friends. China stands for contacts with various countries on the basis of the Five Principles of Peaceful Coexistence. Second, it may also hinder China's resistance to impermissible actions on the part of its allies, and our partners may possibly make use of the alignment to oppose other friendly countries.

This is the conclusion we have drawn from our experience over the past decades as well as a long-term policy decision which enjoys nationwide support.

While constantly strengthening unity and co-operation with third world and other friendly countries and honouring its international commitments, China refrains from seeking alliance with any other countries including third world countries.

Since China is a third world country with a vast territory and a huge population, we should pay special attention to fully respecting other countries' independent rights just as we cherish our own.

Therefore, we will never interfere in other countries' choice of their foreign policies in line with their own conditions.

We believe that this will create more favourable conditions for the countries concerned to wage full and independent struggles to safeguard world peace and state independence by making use of their specific circumstances.

The Chinese Communist Party handles its relations with other Communist Parties strictly according to the four Marxism-based principles set forth at the 12th Party Congress in 1982. These are: independence, complete equality, mutual respect and non-interference in each other's internal affairs.

That is to say, all Communist Parties should hold themselves responsible to their own peoples. They should choose their own road of revolution and construction and decide on their positions on world affairs independently. In short, all Parties have the right to make their own decisions on all matters. No

Hu Yaobang and Dragoslav Markovic entering the banquet hall.



Party has the right to style itself as the top spokesman.

When a Party has made obvious mistakes, one cannot rule out the possibility that other Parties may privately exchange views with it in an entirely friendly and appropriate manner. But, in the final analysis, it is only when that Party itself draws its own lessons can it solve its problems reliably.

But why should we emphasize independence between the Communist Parties of all countries which are ideologically based on Marxism?

This is because application of the fundamental principles of Marxism depends on the unity and consciousness of the advanced elements among the labouring people in each country. It should always fit in with specific historical conditions and be integrated with the revolutionary practice in each country. It is up to the Party of that country to take the correct decision. Only in this way can the vitality of Marxism be truly manifested.

It is not only meaningless but has been proved harmful to talk about Marxist internationalism without linking it with the independent decisions of various Parties since conditions vary in different countries.

Internationalism would be out of the question without the independence of various Communist Parties.

Facts have shown that the practice of setting independence against proletarian internationalism and using "proletarian internationalism" as an excuse to deprive other Parties of their right to independence, control their actions and make them serve the needs of a certain Party's foreign policy runs counter to Marxist principles and

to the essence of internationalism and must, therefore, be resolutely spurned.

We resolutely oppose interference in the internal affairs of other Parties. We also resolutely oppose the practice of taking advantage of the relationship with a foreign Party to interfere with the internal affairs of its country.

The new type of relationship among Communist Parties should

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be open and above-board, fair and just. It is incompatible with intrigue and fraudulence. Double dealings must never be allowed. All attempts at infiltration, control and subversion of other Parties must be denounced

We admire the League of Communists of Yugoslavia for it upholds and safeguards the rights of all Parties in the international communist movement to decide independently what way they should take in their revolution and construction on the basis of Marxism and the principles of democracy, equality, mutual respect and non-interference in each other's internal affairs. You and some other Parties in Europe and Asia are pioneers in setting up a new-type relationship among Parties of different countries. You have contributed to the contemporary international communist movement by

gaining many new valuable experiences in this regard.

The Chinese Communist Party has long waged a resolute and correct struggle to realize and safeguard the correct principles governing relations among various Parties and to oppose the domineering practice in the international communist movement.

But, here, let us admit openly that we also had shortcomings and mistakes in handling our relations with other Parties, especially in judging and assessing the right and wrong of other Parties in the light of our own experience and practice, which caused detrimental consequences to certain Parties.

We have conscientiously corrected these mistakes and actively developed friendly relations with other Parties on the basis of the four basic principles guiding Party-to-Party relations mentioned above.

We deem it normal and common for different Parties to have different views and take different actions on some issues because of their different conditions

In ordinary circumstances, divergence of views may be gradually resolved through friendly consultation on an equal footing, by waiting for each other to come around or by leaving the matter to be proved in future practice

Our two Parties, based on our own experiences, have reached identical views in principle on many basic questions of international relations. Our relations of equality, friendship and co-operation have been developed on the basis of thinking things out for ourselves and through many twists and turns. With the passage of time, this new-type relationship will continue to grow and mature and show still greater vitality.

Report on the 1984 Economic Plan

At the Second Session of the Sixth National People's Congress, Song Ping, State Councillor and Minister in Charge of the State Planning Commission, made a report on the draft plan of the 1984 national economic and social development. He also talked about the economic situation in 1983. Following are the main points of his report.—Ed.

Achievements of 1983

Nineteen eighty-three was a year of notable achievements in national economic and social development, chief among which were the following:

1. An extraordinarily rich harvest of grain and cotton was gathered. Grain output in 1983 went up by 9.2 per cent, to reach a total of 387.28 million tons. Cotton output increased by 1,039,000 tons over 1982—with total output reaching 4,637,000 tons. This enormous increase in grain and cotton production was unprecedented in China's history.

2. The plan for increasing production of energy and economizing on its use was far surpassed, and new successes were scored in the production of raw and semi-finished materials. In 1983, coal output came to 715 million tons, up 7.4 per cent compared with 1982. This was the biggest increase in recent years. The upturn in the production of crude oil continued, with an output of 106 million tons. As for the output of electricity, 351.4 billion kWh were generated in 1983, representing a 7.2 per cent increase over the previous year. Output of steel exceeded 40 million tons; of rolled steel, more

than 30 million tons; of cement, more than 100 million tons

3. The textile and other light industries continued to grow. The total output value of industry in 1983 showed an increase of 10.5 per cent over 1982—heavy industry rose by 12.4 per cent and light industry by 8.7 per cent.



More than 5,000 new varieties of products and upwards of 50,000 new designs were trial-produced in 1983.

4. The transport departments basically met the need for the transport of fuels, raw and semi-finished materials and other important materials, as well as passengers. The railway, communications, civil aviation and postal and telecommunications departments fulfilled or overfulfilled their 1983 plans. The total volume of railway freight increased 4.4 per cent over the previous year; the total volume of freight by ships belonging to the Ministry of Communications rose

3.9 per cent; and the total volume of postal and telecommunications services increased by 9.1 per cent.

5. Better results were gained in controlling the scale of capital construction and undertaking more energy, transport and other key projects. Investment in capital construction in 1983 was planned at 50.7 billion yuan. However, as the State Council approved a variety of additional investment to meet the actual needs, the figure rose to 58 billion yuan. According to statistics, investment in 1983 came to 59.4 billion yuan, an increase of 3.9 billion yuan over the previous year. The actual figure was within the readjusted plan if that part of the investment originally not covered by the plan is deducted.

6. The marketing of goods flourished and the volume of retail sales of all commodities grew. Total volume of retail sales in 1983 increased 10.9 per cent over the preceding year.

7. New advances were made in foreign trade. The total volume of import and export trade in 1983 reached 86 billion yuan, representing an increase of 19.4 per cent over 1982 after adjustment for fluctuations in prices and exchange rates.

8. State revenues rose swiftly. State revenues in 1983 reached 121.1 billion yuan (excluding foreign loans), an 11.7 per cent increase (or 12.7 billion yuan) over the previous year.

9. Scientific, educational, cultural and public health undertakings and physical culture continu-

ed to develop. In 1983, important results were gained in 5,400 research projects. As a result of this research, 214 inventions and innovations were examined and approved by the appropriate central departments. The student enrolment in regular colleges, universities and secondary vocational schools increased. Adult higher education also developed vigorously. Chinese sportsmen and sportswomen competing in international tournaments won 39 world championship titles.

10. The living standard of the people continued to rise. In 1983, the number of workers and staff members in state-owned and collectively owned units rose by 2.34 million over 1982. The annual per-capita income for families of workers and staff members rose by 6.4 per cent over 1982; the net annual per-capita income of peasant families rose by 14.7 per cent. Urban and rural savings deposits rose 21.7 billion yuan over the end of 1982. More than 115 million square metres of housing for workers and staff members were completed in 1983. Residential housing constructed by peasants totalled about 700 million square metres

Present Problems

While fully recognizing the excellent economic situation, we must be soberly aware that some problems deserving attention still exist in our present economic life. The major problems are:

First, improvement of economic results is relatively slow and the state still faces financial difficulties. The 1983 plan called for a 2 per cent cut in the costs of comparable products of state industrial enterprises compared with the previous year, but the actual reduction was only 0.2 per cent. There has been a general rise in

the costs of capital construction projects, the construction of many projects has gone beyond schedule, and a number of completed projects are not up to normal productive capacity when put into operation. All this has an adverse effect on state revenue.

In the country as a whole, prices of most daily necessities have remained stable. However, because in many regions more prices were set by negotiation, the prices of non-staple foodstuffs rose considerably in 1983 compared with 1982. For instance, the price of vegetables went up by 12.7 per cent; aquatic products by 13.4 per cent; and fruit by 14.7 per cent.

Second, there is still a heavy strain on energy and transport, and a growing shortage of such important raw and semi-finished materials as steel products, cement and timber. Because of insufficient electricity in many places, the productive capacity of a large number of enterprises has not been regularly utilized. The traffic capacity of some important railway sections was inadequate. At coastal ports, it is not uncommon for loading and unloading of ships to be delayed and for goods to pile up waiting for transhipment.

Third, the mix of industrial products does not suit the changes in patterns of consumption and the needs of the international market. On the one hand, the productive capacity for a number of quality, famous-brand and low-priced best sellers is insufficient, and consequently supply cannot keep up with demand. On the other hand there is overproduction and overstocking of some poor-quality, high-priced and unwanted goods. Because of poor quality and low competitiveness, certain textile and other light industrial products and machinery and electrical equipment for export earn too little foreign exchange.

Fourth, commodity circulation in the rural areas falls short of the needs of growth in production. At present, this inadequate circulation seriously impedes the purchase of farm and sideline products and the transport of industrial products to the countryside.

Tasks for 1984

The main tasks for the national economic and social development in 1984 are as follows: First, to continue readjusting, restructuring, consolidating and improving the economy, and especially to continue reforming the economic structure and implementing the policy of opening to the outside world; second, to straighten out economic relations; and third, to enhance economic efficiency in various fields—all in order to promote the harmonious and steady growth of the economy.

The general outline of the 1984 plan is as follows:

The total output value of agriculture is to increase by 4 per cent.

The total output value of industry is to grow by 5 per cent.

The national income is to increase by 4.6 per cent.

State revenue is to be 128.75 billion yuan (excluding revenue in the form of foreign loans).

Investment in fixed assets is to be 94 billion yuan. Of this, investment in capital construction will be 65 billion yuan, and investment in equipment renewal and technical transformation, 29 billion yuan.

The total volume of retail sales is to amount to 306 billion yuan.

The total volume of import and export trade is to be 81.6 billion yuan.

Student enrolment in institutions of higher education is to total 448,000, the largest figure since the People's Republic was founded in 1949.

The following are the specific tasks and major targets for economic and social development in 1984:

1. Develop farming, forestry, animal husbandry, sideline occupations and fishery in an all-round way and promote commodity production in the rural areas.
2. Increase the production of coal, oil and electricity and bring about a steady growth of total industrial production on the basis of improved economic results.

According to the plan, coal output is to reach 710-720 million tons. The output of crude oil is to be 108 million tons, and the output of electricity, 360 billion kwh.

Both light and heavy industries should stress improving economic results and, on this basis, achieve a realistic growth rate.

3. Continue to muster the necessary financial and material resources to build key construction projects, and maintain strict control over capital construction.

State budgetary investment in capital construction is 6.5 billion yuan more than in 1983. This additional investment will be used mainly for energy and communication projects, and an appropriate portion will be used to build industries turning out raw and semi-finished materials, as well as for development of intellectual resources. The state plan gives due consideration to construction in areas inhabited by minority nationalities.

4. Ensure adequate supplies for the market and keep prices basically stable.

In 1984, we should continue to tighten price control and stress stabilization of the selling prices of such non-staple foodstuffs as basic vegetables and rationed pork, beef, mutton, eggs and ocean fish supplied to the big and medium-sized cities and the industrial and

mining areas. We should provide guidelines for pricing and exercise control over prices at the trade fairs.

5. Further open to the outside world and expand economic and technical exchange with foreign countries.
6. Strengthen research in science and technology and speed up the training of personnel.

7. Further improve the people's material and cultural life on the basis of expanded production.

A total of 5.4 million people in cities and towns will be given jobs in 1984. We should actively develop collectively owned enterprises and increase the number of individually owned businesses — all in order to create more jobs.

According to the 1984 plan, the payroll for workers and staff in state-owned units will total 82.7 billion yuan, which is an 8 per cent increase over 1983.

It is expected that, as was the case with the 1983 plan, many targets of the 1984 plan will be exceeded.

Carry Out Structural Reform

To ensure the fulfilment or overfulfilment of the 1984 plan, our fundamental task is to undertake further reform in economic management. We should reform the system of control through state planning, so as to exercise better control over the major issues while being flexible on minor ones. In the past few years, some reforms have been made in the system of control through state planning, but generally speaking, control has been excessive and too rigid. Further reform of the planning system must be carried out along with the gradual reform of the urban economic structure.

Providing forecasts are made and an overall balance is struck for the whole society, state planning should deal mainly with the major items of key construction projects and with the production of important commodities. The scope of mandatory planning should be gradually narrowed and that of guidance planning extended. There should be more flexibility for small commodities so that market regulation can come into play. With regard to those products which are not covered by mandatory planning, the enterprises themselves may make decisions on their production and marketing and the purchase of the necessary raw and semi-finished materials, all in accordance with the guidelines set by state planning and with the actual market needs and possibilities. As for products that are covered by mandatory planning, after fulfilling the production quotas set by the state, the enterprises themselves may sell all the above-quota products, with certain exceptions especially stipulated by the state.

With regard to the production and construction tasks of the departments and localities, the state will gradually introduce different forms of the contract system. While continuing to use the necessary administrative means, we should also use various economic levers and legal means, so that all economic activities can be carried on under the guidance of state planning.

In the future, the central authorities will mainly handle the key construction projects that affect the whole economy, while the localities will be gradually empowered to handle other projects. In the meantime, the power to examine and approve construction projects should be decentralized and the procedure for this should be simplified. A system of investment responsibility and public bidding for construction projects should be introduced. □

Report on the State Financial Situation

On May 16, Wang Bingqian, State Councillor and Minister of Finance, reported to the Second Session of the Sixth National People's Congress on the final state accounts for 1983 and the draft state budget for 1984. Following are the main points of his report. — Ed

Final State Accounts for 1983

In 1983, the country's financial situation continued to improve, with a considerable increase in both state revenue and expenditure.*

The final state accounts showed that state revenues in 1983 totalled 124.899 billion yuan, of which domestic receipts amounted to 121.116 billion yuan, or 102.8 per cent of the budgeted figure, up 11.7 per cent over the previous year. Foreign loans, which registered a small decrease from the previous year, came to 3.783 billion yuan, or 70.1 per cent of the budgeted figure.

The total expenditure in 1983 amounted to 129.245 billion yuan, which was 102.4 per cent of the budgeted figure and 12.1 per cent more than the figure for the previous year.

The deficit in 1983 was 1.346 billion yuan more than the budgeted figure of 3 billion yuan. It increased mainly because the state purchased an extra 22.25 million tons of grain and an extra 1.101

* In his report to the First Session of the Sixth National People's Congress last year, Wang Bingqian said the state revenues in 1982 showed a reverse in the past three years' downward trend, with state revenue totalling 112.397 billion yuan and expenditure reaching 115.331 billion yuan.

million tons of cotton, following the bumper harvest, thus paying an additional 3.47 billion yuan as price subsidies for above-quota purchases



It is a good thing for the state to make more purchases when there is a good harvest, because it can increase the grain reserves and ensure a better supply of raw materials for industrial production and a better supply for the market. However, the growth in the volume of purchase necessitated a corresponding increase in subsidies for above-quota purchases, thus enlarging the deficit.

Besides, the lack of strict control over budgetary expenditures also added to the deficit.

The Draft State Budget For 1984

To meet the needs of economic growth, the 1984 state budget was drawn up according to the following principles: 1) Support the development of production, stimulate commodity circulation, accelerate technological progress and improve economic performance; 2) concentrate the use of funds in such a way as to speed up the construction of key energy and transport projects and the development of intellectual resources, promote the development of all undertakings and continue to improve living standards; and 3) further reform the financial and tax systems, strengthen financial management and control and ensure a basic balance between state revenue and expenditure.

In accordance with these principles and the provisions of the national economic plan, the 1984 state budget sets total revenue at 133.85 billion yuan and total expenditure at 136.85 billion yuan, with a deficit of 3 billion yuan.

To fulfil the state budget for 1984, we should, first, vigorously promote production and improve economic results; second, further implement the policy of invigorating the domestic economy and opening to the outside world and effectively reform the financial and tax systems; third, keep the scale of capital construction under control and curtail unnecessary expenditures so as to improve the results in the use of funds; and fourth, exercise effective financial control and supervision and enforce discipline in the financial and economic fields.

With the rapid growth in production, the implementation of the state budget in the first four months of this year was fine. We must guard against arrogance and rashness, make sustained efforts to push ahead with our work in all fields and strive to fulfil the 1984 state budget successfully. □

Thinking of Soong Ching Ling

by REWI ALLEY

THE years have swept on since her passing in 1981, yet it seems that her great spirit is still fresh and alive around us. Soong Ching Ling is a fragrant memory to the many who worked with her or who one way or another came under her influence. Though she would give her undivided attention to important matters that needed her approval, she wouldiven many a meeting together with old friends, with her wit and humour. When it came to doing things, she was like steel in her determination to get essential work done. In the years I knew her after 1933, she asked that all her letters be destroyed as soon as read, so one does not have them to read over still. I would address her in writing as "Aunt," and she would write to me as "Bill." I vividly recall the day when I first saw her. It was during the ceremony of interment of the remains of Dr. Sun Yat-sen, in the mausoleum in Nan-

jing in the late 20s. I stood on the sidelines on what was then bare hillside while she and the rest of the dignitaries went up the long flight of steps. She walked quietly, abreast of Chiang Kai-shek, but keeping a good distance from him. To me she was very much the central figure of the piece. It was in the early 30s that Agnes Smedley took me to call on her at her home, in the old house of Dr. Sun Yat-sen in what was Rue Moliere, Shanghai. Later, when the Americans Manny and Grace Granich came to set up the magazine *Voice of China*, she gave them immediate, continued and valuable assistance. To commemorate the publication of the magazine, she decided on a weekend visit to Hangzhou. Manny and Grace had to disguise themselves a little, Manny by wearing a false black mustache, Grace by wearing a big wide brimmed hat. Looking at an old picture taken during that trip, I wondered who the other two foreigners were, until memory flooded back and I realized who

they were. The activities of Soong Ching Ling in Shanghai were many. She saw that Lu Xun was helped in every way possible. She got the consent of Edgar Snow to take the hazardous trip to the northwest with Dr. Ma Haide. She saw that Paul and Gertrude Ruegg were looked after when they escaped from Nanjing, and she kept their son in her home for a while waiting to send him to school in Moscow. When the War of Resistance started she became more and more active, setting up the China Defence League in Hongkong and getting valuable help to the Eighth Route Army in the northwest. She helped the "Gung Ho" movement for industrial co-operatives with all her heart in a practical and effective way. It fell to me to escort her to the tender that took her to the ship by which she left Shanghai for Hongkong, and it was the New Zealand writer James Bertram, a member of her Defence League, who saw her on to the plane out of Hongkong in the hectic moments before Japanese occupation. In Beijing after liberation, she stood on Tian An Men with Chairman Mao and other leaders when the new Government of People's China was proclaimed. Thereafter she threw herself into the peace movement very effectively, and later into the one for friendship with foreign countries. A wide reader, she kept up with trends everywhere, maintaining a large correspondence. Towards the end of her life she was made the Honorary President of China. Though there are several memorials to her, the museum in her old home in Beijing, that in the home she lived in with Dr. Sun Yat-sen in Shanghai, then the home she lived in later, and the new statue that stands by her tomb in the International Cemetery of Shanghai. The

At a banquet in honour of the author (third left) hosted by Soong Ching Ling in April 1979.



memorial she would have loved most, however, would be the Memorial Foundation now being set up to spread scientific education amongst Chinese children. In her Shanghai years while she was still active, she set up the China Welfare Institute, which founded many children's centres in Shanghai, along with other child welfare projects. Her Institute was also responsible for the founding of the magazine *China Reconstructs* which has had and still has worldwide influence. She was enormously loyal to the principles of Sun Yat-sen, and felt that the road the Chinese revolution took was the correct one in bringing them to fruition. Her life was jammed full of incidents, her irrepressible spirit ever carrying her through.

In Wuhan, there is a monument to the 13 Taiping women fighters killed there. On a plaque set in to its base is her poem to them, the handwriting done by her friend and comrade, the late He Xiangning, whose son, the late Liao Chengzhi, was one of her greatest supporters.

In 1957, I wrote the following lines to her

*With the strength and grace
of the blue and white por-
celain*

*she loves so well; a life
that has taken steeled courage to
live.*

*steadfastly serving those she has
so great a faith in, and who
now so truly lay
the basis for the breath-taking
new world to be.*

*a woman who can set a flower
so that it speaks its message.
write so that hearts are stirred,
encourage so that some
of her daring spirit is shared.
one whose life
increasingly is a message
for all women.
her very name a tocsin —
Soong Ching Ling*

Exploring Film Traditions

The progressive realism of China's early films offers much for today's filmmakers to learn. These old movies have stood the test of time.

by ZHAO HUI

MANY films made before the founding of the People's Republic in 1949 shown at home and abroad in recent years have been commended for their distinctive Chinese character and artistic accomplishments.

A young art, the first film appeared in China in 1896 when a Western movie was shown in Shanghai. The first Chinese film was just a collection of scenes from the classic novel *The Three Kingdoms*, made by a photo studio in Beijing in 1906. China's first feature film, *A Difficult Couple*, was made in 1913. It ran only half an hour. It was not until the 1920s that the Chinese began filming in a specially made studio with all necessary equipment and staff, and the first result was *Orphan Rescues Grandfather*.

A retrospective of Chinese films made between the 1920s and 1940s, sponsored by the China Film Archive, presented 43 films last year. A symposium held at the same time attracted more than 100 film artists, film researchers, teachers and students from different film schools. The participants reviewed China's early films and agreed that they have strong points which today's filmmakers can draw on and develop.

They have a strong flavour of the times and truthfully mirror many aspects of the society they were made in.

They excel in portraying typical

people in typical circumstances, leaving a deep impression on the audiences.

They have a strong ethnic identity, which is manifested in their plots, customs and habits, language and acting, all conforming to the tastes of the Chinese audience.

Today's filmmakers are also impressed by the enthusiasm and flexible and efficient work style of the early progressive generation, who shot their films under extremely difficult conditions.

Realistic Style

As a basic style, realism depicts life and presents typical images in typical circumstances, based on objective observations of life. Successful and fruitful, the realistic style has a long history in China. It goes back to the 3,000-year-old *Shijing* (*The Book of Songs*) and many other literary works such as Du Fu's poems in the 8th century, Guan Hanqing's drama of the 13th century and Cao Xueqin's masterpiece *A Dream of Red Mansions*, written in the 18th century. Although cinema was imported into China, it has also taken on the distinctive Chinese realism. Many old progressive films, for instance, reflect the realities of Chinese society and show sympathy for people of the lower rung.

Spring Silkworms (1933), an adaptation of a story by Mao Dun, tells how imperialists, feudal landlords, bureaucrats, compradors and usurers exploit and oppress the silkworm breeders in east China and finally ruin them.

Big Road (1934) is one of the best of China's early films reflecting the lives of the workers. It highlights the resistance against Japanese aggression through the story of a road construction crew.

Young People in War Years (1935), which describes the awakening and maturation of two young intellectuals after the Japanese invasion of China, reflects the people's demand for resistance against Japan. Its theme song, the compelling and inspiring *March of the Pioneers*, became China's national anthem after the founding of the People's Republic.

Lamb Astray (1936) recounts the experiences of a group of urban waifs. It exposes and satirizes the ugliness of the old society in a unique style.

New Year Coin (1937) depicts the multi-coloured urban society by showing the different lives of people of all strata and their interrelations, through the tale of how a silver coin, a gift from a grandfather to his granddaughter on New Year's eve, is passed from one hand to another.

Many films made in the late

1940s in Shanghai portray the social life during the last years of reactionary rule. Of these, *A River Flows East* shows the vast differences in the lives of the upper and lower classes. The film illustrates the hopeless despair towards reality, which lead many to see the necessity of radical changes in society. *Crows and Sparrows* describes the lives of the urban poor and rural peasants, reflecting its makers' confidence in and optimism about liberation.

These films, like mirrors, reflect the social changes in each period and the lives of people of all classes.

At the retrospective, filmmakers and researchers noted that the films made in the first half of this century had the distinctive features of Chinese realism. Through natural and honest acting, they not only reflect social contradictions and struggles, but also give voice to the desires of the oppressed.

Actually, many early filmmakers were very progressive in their reflections of reality. While describing the people's miseries and exposing the seamy side of society,

some films also reveal, directly or indirectly, the causes of the people's suffering. Others point out the way to advance, either explicitly or subtly. This positive attitude could only be adopted by artists who, guided by their proletarian world outlook, infused their work with revolutionary realism. Their films therefore exerted a healthy influence on their viewers.

The realism of these old films gives many of them the vigour to strike a sympathetic chord with today's audiences.

Unforgettable Images

The appearance of many mediocre films on the Chinese screen in recent years has shifted people's attention to the impressive images in China's early films, which are often likened to the typical characters in a typical environment described by Engels.

The prostitute in *Goddess* (1934) is a mother living solely for her son. Although downtrodden, she still has a kind and sincere heart. The actress' melancholy beauty and superb acting skills are captured in concise and concentrated tableau. Her sorrow is revealed through her steps and her eyes – when she goes out with heavy makeup after putting her son to bed, when she applies for a job in a factory or later with a rich family, or when she brings her son to school. Her acting is most touching when the school headmaster refuses to accept her son because she is a prostitute.

The city poor, including a trumpet player, a news vendor, a singer and her prostitute sister in the *Mission on the Streets* (1937) are honest, kind and self-sacrificing, despite their great suffering. Although a tragedy, the film is terse and humorous, using comedy to make its points. The trumpet player, in particular, is portrayed with a strong sense of humour. The

Spring Silkworms.



film created an uproar when it was first shown, it still attracts large audiences today.

The last group of movies made by the progressive filmmakers, led by the underground Party organization in Shanghai before liberation, show many outstanding images of ordinary people. For instance, the heroine, a textile worker, in *A River Flows East* (1947) is a kind, hard-working, honest woman. She seeks consolation in looking after her son and mother-in-law when her husband goes to the rear areas during the anti-Japanese war to find a job. The woman embodies the traditional virtues of all Chinese working women. However, she does not find happiness after the war. Her husband comes back only to abandon her. She later throws herself into a river flowing east.

Although it is the pride of the homegrown films, *A River Flows East* still has its flaws. It stresses the woman's resignation to adversity, yet not a trace of her awakening or maturation through all her sufferings. However, the faults are overshadowed by the outstanding acting of the heroine, who tried her best to portray the innermost feelings of her role and pursue unadorned and natural characterization.

Equally successful is the actor playing the husband, an enthusiastic supporter of resistance against Japan who later degenerates into a member of the decadent upper class. The film shows his contradictory feelings in different situations, outlining the uncertain nature of petty-bourgeois intellectuals.

Other films made during this period, such as *Myriads of Lights* and *Crows and Sparrows* concentrate on the suffering and struggle of different kinds of lower-class city people — some are dissatisfied with reality and indulge in fantasy lives. Some awaken to the need



Crows and Sparrows.

for change, while others become accomplices of bureaucratic capitalists. Some are sharp, some indecisive, some kind and some weak. They form a series of vignettes, giving the audiences much to think.

National Artistic Style

Our filmmakers and theorists are always striving to create a distinctly Chinese style. Most early Chinese films were made to entertain the common people, and they adopted the styles and skills loved by the masses. The plot development often follows the traditions of Chinese classics, which are dramatic and narrative.

Love's Labour (1922), the earliest Chinese film now available describes how a carpenter plays a trick on a bunch of noisy gamblers living upstairs from him. The gamblers all get hurt, and must see the nearby doctor, whose daughter the carpenter loves. The doctor makes a lot of money treating the gamblers, and agrees to let the carpenter marry his daughter. The 20-minute comedy, although artistically simple and without any dis-

tinguishing ideology, was very popular because each of its shots and scenes is well connected and advances the narrative in a Chinese style.

Song of the Fishermen, an accomplished film of the 1930s, depicts the fishermen's miserable lives. It was praised not only for its realistic subject and touching plot but also for its popular style and the filmmaker's exceptional skill. It is one of China's earliest sound films. In addition to dialogue and other sound effects, it is also dubbed with background music. A light melody, *The Blue Danube*, is played when the fishermen's children are playing on the beach, and a cello concerto by Schubert, *Ave Maria* is dubbed to show the children's grief when their blind mother is burnt to death in an accident. These selections of foreign music do not in the least diminish the film's strong national flavour. The theme song, however, which is sung three times by the heroine, a fisherman's daughter, to show her sadness or hope for the future, is most compelling. When the film was first shown in Shanghai in mid-summer 1934, it ran continuously for 84



Goddess.

days to capacity audiences. In February 1935, it won a prize of honour at the Moscow International Film Festival, the first of its kind for a Chinese movie.

Night Inn portrays the miserable fates of different people living in a low-grade inn in Shanghai. They struggle to better their lives, but are beaten back again and again by reactionary forces. Totally Chinese in its style, the film mirrors the reality of the last years of old China.

Progressive Foundations

China's early films held their ground in the competition with foreign imports. For a long time China's market was flooded by Hollywood products. At least eight foreign studios came to make films in China, in an attempt to expand their economic aggression and cultural infiltration. To cater to the tastes of ordinary audiences, many Chinese-made films are filled with stories of gods and spirits, romances between scholars and beauties, or bare-handed fights.

The entrance of some Left-wing intellectuals into the film industry

in the early 1930s was considered the most important event in China's early film history. Working in co-operation with some far-sighted filmmakers, they brought about the first revival in China's movie industry. The many progressive films made during this period laid a solid foundation for China's later revolutionary cinema. They were often much better than the imported sentimental imperialist films, which were described as "ice cream for the eyes and armchairs for the mind."

To help the masses understand the social mission of the film as an art, Lu Xun (1881-1936), standard bearer of China's proletarian cultural movement and noted writer, translated Japanese critic Iwasaki Akira's essay, "Film—a Mass Communications Medium," in 1930.

In the same year, the China League of Left-Wing Writers and the associations of drama troupes, artists and musicians were founded to advance the proletarian cultural movement and resist all reactionary thought. These organizations promoted the development of progressive films. Many of their members and supporters later devoted

themselves to filmmaking, bringing the influence of the anti-imperialist and anti-feudal new cultural movement, which began in May 1919, to the cinema.

Among the pioneers of China's progressive films are Xia Yan (born in 1900), currently President of the Chinese Film Artists' Association, and other playwrights. Led by Qu Qiubai, a leading member of the Party Central Committee, they set up an underground Party film group. It worked in co-operation with some investors to make important and influential films. Through writing and editing screenplays, the progressive filmmakers tried to advance the idea of resistance against Japan and expose the dark side of society. By publishing reviews in newspapers, they recommended good films and criticized those with erroneous or reactionary ideas.

The group rallied around it an increasing number of filmmakers, many of whom later became the backbone of New China's film industry and are still making contributions today.

China's pre-liberation progressive films developed only by breaking through one barrier after another set by the reactionary forces. Every script had to be submitted to a censor, to say nothing of the film negatives. Many films were forced to be cut or revised; some were retained or banned, or even confiscated or burnt. Censorship was often accompanied by attacks by Right-wing gangsters. In addition, because the Left-wing film workers never had their own studios, they had to work in co-operation with capitalists. This forced them to take box office value into consideration and make more profitable films. They were really "battling in mud and fighting their way forward through thistles and thorns," recalled Xia Yan. □

A Case Study of Small Towns (3)

Prosperity Follows Industrial Development

The springing up of factories run by communes and brigades since the early 1970s has been a major factor behind the prosperity of small towns in southern Jiangsu Province. However, production at these factories remains unstable. In the third part of a series on small towns in China, Fei Xiaotong looks into this problem.—Ed.

by FEI XIAOTONG

WHILE investigating conditions in Wujiang County in recent years, I concluded that advances in agriculture and sideline production had revitalized China's small rural towns. Later investigations, however, forced me to change my mind. Prosperity in the towns of Wujiang, for example, stemmed mainly from the rapid development of commune- and brigade-run industries rather than from the expansion of a diversified economy and the acceleration of commodity circulation. And this was mirrored elsewhere.

Up until 1975, the peasants of Xinta Commune, restricted to planting rice and raising pigs, had an average annual per-capita income of about 150 yuan. As a result, the town of Xinta, which served as the commune's commercial centre, fell into dilapidation, with many houses in disrepair and the two narrow roads alongside the river becoming increasingly dirty and rough.

In the years after 1975, Xinta took on a new look. Many factories and new houses have appeared, along with a new cinema capable of accommodating more than 1,000 people. A newly built main street 18 metres wide has added a touch of modernity to the town. Total investment in capital

construction since 1975 has been 3.5 million yuan, of which 72 per cent (2.5 million yuan) came from funds accumulated by 13 commune-run factories.

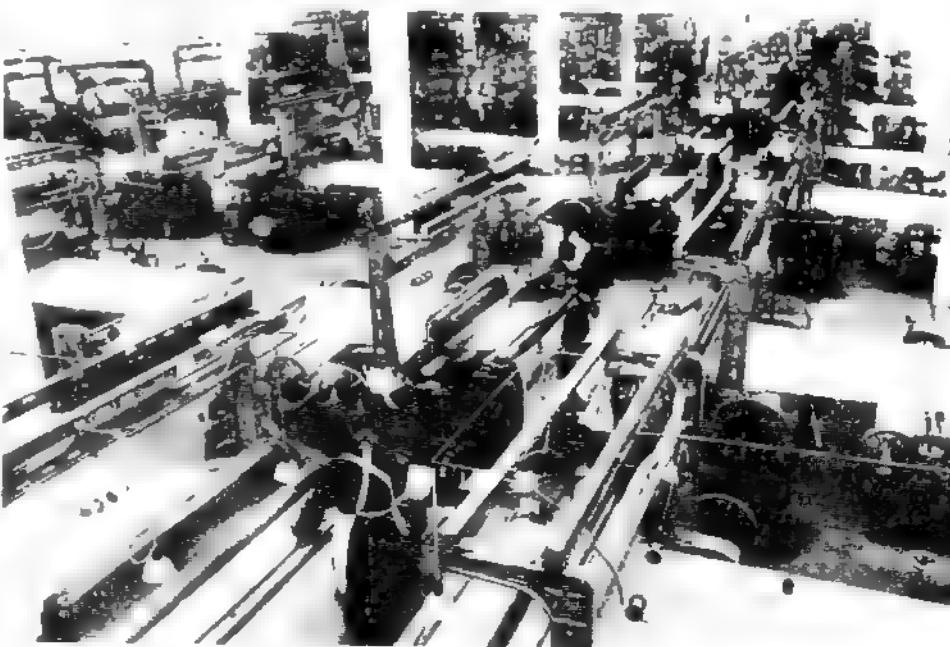
The commune's factories all sprang up around 1975, except for an oil pump factory, which grew out of a farm-tool factory founded in 1958, the year of the great leap forward. According to 1982 statistics, three factories (those producing oil pumps, light bulbs and buses) each had an annual output value of more than 1 million yuan. Together with enterprises

run by brigades, Xinta Commune boasts 57 factories, which employ 2,098 workers, or 17 per cent of the commune labour force. Their annual output value totals 10.2 million yuan.

According to calculations based on the wages of commune members engaged in industrial production and on the profits put aside for year-end distribution among the members, each of the commune's 20,000 peasants earns an average of 49 yuan a year from industrial production, which makes up 15 per cent of his or her total income.

The commune's agricultural production accounts for 33 per cent of its total output value; sideline occupations, 13 per cent; and industry, 54 per cent. Of the

Looms weaving silk at a factory in Wujiang County.





Workers at the Shengze Silk Factory, which produces one-tenth of China's silk, display their local product.

average annual per-capita income of 327 yuan, 190 yuan comes from farming, 49 yuan from industry and 88 yuan from household sideline occupations.

This is a major change from Xinta Commune's monotonous economy before the mid-1970s, when grain production was the only source of income. The development of industry has opened a major source of funds for capital construction in the town of Xinta. It has also increased the peasants' incomes and provided jobs for about one-fifth of the labour force. Xinta's situation is typical of the entire Wujiang County and even southern Jiangsu Province as a whole. What lies behind this vast improvement?

Historical Traditions. Farming has all along been interwoven with industry in Southern Jiangsu, handicapped as it is by a large population and limited farmland. Because the level of economic development in an agricultural society is often the inverse of the size of its population, the people of Jiangsu got around this problem in the past by supplementing farming with handicrafts. The men

farmed while women wove cotton cloth — a tradition dating several thousand years.

As early as the 1930s I found some households in the village of Jiangcun were earning half from their industry and half from farming. Really, if the peasants want to prosper in a place where there are too many people with a limited amount of land, they must develop cash crops and go in for the processing of farm and sideline products, in addition to growing food crops. Nowadays, we find it easy to understand the tradition of industry and agriculture supplementing each other, but our predecessors must have taken great pains to discover this. Now we have inherited this tradition and developed it to its highest point in Chinese history. We take it for granted that the commune-run and brigade-run industries of today stem from that tradition.

Inherent Motive Force. When talking with rural cadres in the past few years about population, they all seemed to feel an invisible crushing pressure. In the mid-1960s, when a large number of young peasants born in early years of liberation joined the rural

labour force, there were not enough jobs around. Ever since, the rural labour force kept expanding with each passing year, bringing in its wake soaring cash value of the workpoints, while the increase of grain output diminished

By 1970, it seemed that the average per-mu yield had reached its maximum point. Peasants began contending for workpoints, and a surplus labour force appeared. Years ago, a county Party secretary estimated that, provided the present rate of production did not rise and grain output did not drop, about 30 to 50 per cent of the county's total labour force would be left idle. This large army of surplus labour became a powerful force for change, pressuring the communes and brigades to create industry and thereby employment.

External Conditions. If surplus labour and the tradition of cottage industries supplementing agriculture are inherent prime movers for the rural industry, then the "cultural revolution" can be described as an external factor. During that chaotic decade, the whole country suffered. However, southern Jiangsu managed to find a silver lining in this dark cloud, and it was during those years of turbulence that rural industry unexpectedly developed.

A factory needs raw materials, labour, money, equipment, technology and markets. The countryside could supply the labour out of its surplus. But where were the other five necessities to come from?

A chemical factory in the town of Tongluo was started from scratch in 1968 with the help of the father of a city-bred young man. At the time, there was one city factory which could not meet another's urgent need for a chemical product because of frequent factional strife. On learning of this, the man, who worked at an urban

chemical industry bureau, helped the commune where his son was living to strike a deal with the factory needing the product. According to an agreement between the two sides, the factory supplied raw materials, technology, equipment and a part of the funds for the commune to build and operate a chemical factory.

Everywhere in southern Jiangsu, factories like this can be found. According to commune cadres, at that time it was not uncommon to see factories in big and medium-sized cities voluntarily help communes and brigades in their vicinity run factories. Why? Production at those factories was disrupted by workers making revolution. However, daily life can not do without goods, and because the rural situation was relatively stable, some products had to be produced in the countryside, with retired workers, educated youths and cadres who had settled in the countryside acting as go-betweens. Ironically, they were not conscious that they were serving as intermediaries in economic relations between the cities and the countryside. By the end of the "cultural revolution," industries created in this way in southern Jiangsu Province had weathered their most difficult period and were now able to develop further.

At present, factories run by communes and brigades are confronted with a host of problems, the key one being unstable production.

For instance, a large number of small silk factories in Wujiang County switched from silk to synthetic fibres as their raw materials in the 1970s, when chemical fabrics were in snowballing demand but the supply was limited. However, in recent years, with the development of the synthetic fibre industry in large cities and increasing demand for varieties of clothes, these factories have had to go as far afield as

the mountainous areas of Fujian Province and remote areas of Qinghai Province to sell their products.

Short-sighted overproduction of these goods, together with a drop in prices a few years ago, has left these factories with losses. Not a few commune- and brigade-run factories in Wujiang County are in this position.

Some factories, however, are doing better. A vegetable-processing factory set up in 1980 by the town of Miaogang had a profit of 150,000 yuan in 1982. Aside from

Given the unstable economic situation in many rural factories, the emphasis should be on exploiting local advantages. These factories should take the initiative in obtaining raw materials and opening up markets.

selling preserved vegetables in Miaogang itself, the factory ships semi-processed vegetables to Shanxi Province and processed vegetables to Shanghai, Suzhou and even some countries in south Asia. The factory's raw materials are all grown by the local peasants. In 1982 the factory purchased 1.1 million yuan worth of vegetables to the benefit of the local commune and the peasants. This is a good example of a stable commune- or brigade-run industry but there are only a small number of these in Wujiang County.

There are even fewer of a third type of industry. In the town of Pingwang is a factory affiliated with the Shanghai No. 3 Sewing

Machine Factory, built with money from both the sewing machine factory and the Wujiang County farm-tool factory. It produces components and does some assembling. In addition, it also contracts several commune- and brigade-run factories to supply sewing-machine stands and bases. Under a contract, the Shanghai plant supplies all the raw materials and accepts the entire output of the small factories, with both partners sharing, on a fifty-fifty basis, the branch's profits and income from products exceeding the quotas. This type of industry is the result of expanding urban industry.

Given the unstable economic situation in many rural factories, the emphasis in running commune- and brigade-run industry should be on the second type, which exploits local advantages. Efforts should be made to develop the food, textile and handicrafts industries in the light of local conditions. In addition, these factories should take the initiative in obtaining raw materials and opening markets at home and abroad. They should also concentrate on labour-intensive production.

The development of rural industries has turned a growing number of peasants into workers. A recent survey shows that in the past six years, the population of the small towns has increased by a third. According to incomplete statistics, in 1982 Jiangsu had 5.2 million commune members engaged in industrial production, compared with a total urban labour force of 6 million in the province. In other words, the number of peasants manning rural factories is nearly equal to the number of urban workers in non-agricultural production. This unprecedented situation presents us with a new task of studying what role this rural industrial workforce will play in the development of China's industry.

FROM THE CHINESE PRESS

Future Charted for Scientific Work

from "JINGJI RIBAO"
(Economic Daily)

STATE Councillor Fang Yi has put forward three proposals on which direction scientific work should take:

Science and technology must play a bigger role in the macroeconomic decision-making process. In the past, the role of science and technology in the decision-making process was seriously neglected. This grave fault frustrated macroeconomic decision-making efforts. It was only a couple of years ago that science and technology began to influence some aspects of decision-making.

But it should be pointed out that despite the increased importance being given to equipment and technology, the role of science and technology in macroeconomic decision-making is still being slighted, resulting in some key construction projects going ahead without a sound scientific basis. We should take steps to deal with such cases. We should also guarantee the role of science and technology in decision-making through policies, laws and institutional structures.

Scientific research should be integrated with production. As far as science and technology are concerned, it is vital to rectify any imbalanced development and to urge scientific personnel to place priority on catering to and serving the current economic construction, both in thought and action. As far as economics is concerned, it is important to raise the level of consciousness of the need for science and technology and to strengthen its vitality in develop-

ing and adopting new techniques. This requires further reform in the scientific-technological and economic systems, so as to blaze a trail of combined science, technology and economics with China's characteristics.

Scientific personnel should be encouraged to move from place to place. Scientific personnel should be transferred from research institutes, universities and colleges to production units, according to

unified plans. They should be encouraged to move from large cities to medium-sized and one-horse towns to the countryside, and from coastal areas to out-of-the-way regions. Scientific personnel should be encouraged to go to the production units with their research achievements and instruments to direct and guide enterprises, workshops and assembly lines, where their achievements will be materialized. We must realize that the transfer of scientists and technicians is a strategic policy in China's modernization drive.

Sacrifices Made to Help Pandas

from "GUANGMING RIBAO"
(Guangming Daily)

Item: A woman plunges into the icy waters of Sichuan's Xihe River to rescue a giant panda being carried away in torrents. She is joined by several more peasants in the rescue. After bringing the unconscious panda to the bank, they make a fire to warm the animal. When it comes to, they feed it syrup and bamboo leaves. In the meantime, the county commission in charge of panda rescue work loses no time in dispatching a special truck to transport the animal to a feeding station on a nearby nature reserve.

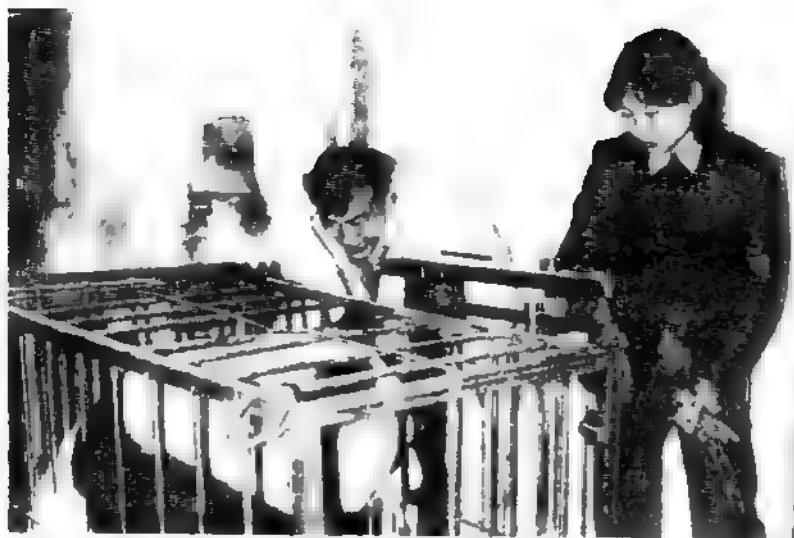
Item: A shepherd drags back his dog, nearly choking it, while a panda gnaws at the carcass of his sheep. After it has finished off the 15-kilogramme sheep, the panda straightens up and lumbers off into the forest. Only then does the shepherd loosens his grip on his dog.

These are just some instances of people rescuing starving pandas in

their natural habitat in Sichuan. With the flowering and dying off of the bamboo (the panda's main source of food), the rare species is facing a dire threat. Throughout the country, people, and especially those in Sichuan, are making personal sacrifices to help the pandas to get through the lean years.

Hungry pandas found foraging in corn fields are left uninterrupted, with village watch dogs being rounded up so as not to bother the animals. Some people have even gone out of their way to place porridge at a regular site for the pandas to eat.

Because the bamboo takes about 10 years to rejuvenate after dying, it is currently crucial that alternate foods be placed at regular sites to attract the animals, so that they can be moved to sites where they will survive. Another urgent task is the caring for sick and infirm pandas. Hundreds of people patrol the mountains each day to look for and rescue endangered animals. Many carry beef, mutton, and sugarcane to places frequented by the animal.



Vets at the giant panda research centre checking up a panda.

An army of specialists and scientific workers are busy experimenting with bamboo seeds, both indoor and outdoor testing germination. They are hoping to successfully cultivate bamboo in the panda's natural habitat.

Zhou Fangchun, an associate professor specializing in bamboo at the Nanjing Forest Institute, surveyed the Wolong nature reserve with a group of postgraduates. To develop feasible plans for saving the animal, Zhou braved heavy rains to study the blossoming bamboo growing 2,500 metres above sea level. He finally found naturally rejuvenating sprouts at the base of the dead adult plant. Calculating the number of sprouts in a square metre, he argued that the blossoming bamboo can be rejuvenated both artificially and naturally.

Meanwhile, specialists believe it is highly advisable in the long run to introduce some new species of bamboo, so as to diversify the composition of bamboo high on the mountains. By planting bamboo acclimatized to the local environment and by spacing out the blossoming time of different kinds of bamboo, a circulating ecosystem will be created, providing the pan-

das with an inexhaustible supply of food.

Spending Patterns Shifting in China

from "JINGJI RIBAO"
(Economic Daily)

IN recent years, there have been great changes in the consumption patterns of Chinese families in the urban areas, according to figures issued by the State Statistical Bureau.

Food. Consumption of non-staple foodstuffs increased much

more rapidly than other foodstuffs. In 1983, the average person spent 299.52 yuan a year on food, an 8.4 per cent increase from a year earlier. Of this, 166.08 yuan was spent on non-staple foodstuffs, up 10 per cent from the year before. The demand for lean pork, beef and mutton, eggs, fish and seafood, poultry and dairy products has increased, especially in those families with higher incomes.

Clothing. In recent years, workers and staff and their families have begun to buy more fabrics and ready-made clothes of medium and superior quality. In 1983, members in these families averaged 2.26 metres of synthetic fabrics, up 13 per cent from 1982. 0.31 metres of woollen fabric, up 29.2 per cent, and 0.45 metres of silk, up 9.8 per cent. The per capita purchase of woollen clothes increased 27.8 per cent and of silk clothes 280 per cent.

Appliances. Durable consumer goods have found favour with the workers and staff. In 1983, the purchase of washing machines rose 28.3 per cent from 1982; refrigerators, 95.9 per cent; colour TV sets, 236 per cent; tape recorders, 80.1 per cent; and cameras 37.6 per cent. Although almost every family owned bicycles and wrist-watches, they continued to buy new ones to replace the old.

Apartments Built in Beijing

from "WEN ZHAI"
(Digest)

BEIJING municipality has given priority to urban housing construction since 1980, when the Secretariat of the Party Central Committee issued four directives on construction in the capital. The municipality has built 14.3 million square metres of apartments in the last four years, a

record for China. In the 678 years from 1271 when the Yuan Dynasty established its capital in Beijing to the founding of New China in 1949, Beijing had only 13 million square metres of housing.

These new buildings have a more reasonable layout than the old ones. All apartments are equipped with a kitchen, a toilet, a balcony, a wardrobe, gas and central heating.

Great Character Reunion

The great poet Qu Yuan from the Warring States Period (475-221 B.C.), the friendship ambassador to Tibet, Princess Wen Cheng of the Tang Dynasty (618-907 A.D.), valiant Eighth Route Army soldiers, plain yet lovely rustic girls, blue-eyed blondes from the West and Japanese youngsters in kimonos got together one night last month.

Behind their facades, all were actors and actresses from the China Youth Art Theatre. And there were more than one hundred of them—all in theatrical costumes, wearing ribbons with the name of the play they represented. They got together at the Beijing Hotel to celebrate the 35th anniversary of their theatre.

One of the most influential acting groups in the country, the China Youth Art Theatre, as its name suggests, has been educating and entertaining the nation's young people ever since it was set up on April 16, 1949.

Deng Yingchao (second right) and Xi Zhongxun (first right) with the actors and actresses of the youth theatre.



In 35 years, the youth theatre has put on 67 one-act plays and 113 longer works, more than 70 per cent of which followed the realistic tradition. The China Youth Art Theatre pays close attention to the life of the young. They take great pains to present people who are known, cared about and loved by their audiences, faithfully reproducing a people's history and reality onstage. They impel their audiences, especially the young theatregoers, to understand the time they are in, to think about the great trust placed in them by historical developments, and to build a bright future. Their showstoppers include *Liu Hulan* and *How the Steel Is Tempered*.

The repertoire of the youth theatre includes works by renowned Chinese playwrights Guo Moruo, Xin Yan, Tian Han, Lao She, Cao Yu and Yang Hansheng. The group has also introduced famous foreign plays to the Chinese audience, such as Shakespeare's *The Merchant of Venice*.

Gogol's *The Inspector-General*, Schiller's *Kabale und Liebe*, Kalidasa's *Sakuntala*, and Brecht's *Leben des Galilei*.

The China Youth Art Theatre has studied Stanislavsky's acting method and learnt from the direction and acting of artists from Japan, India, Norway and Germany. It has applied Brecht's creative methods into its own artistic works. Coupled with the legacy of traditional Chinese drama, folk plays and ethnic styles of singing, storytelling and dancing, it has developed and enriched the art of stage play in China.

Thirteen of the productions the youth theatre staged in the past 35 years have won prizes at the national stage play festival and the merit selections sponsored by the Ministry of Culture.

Deng Yingchao and other Party and state leaders attended the celebration. Deng said she had witnessed the growth of three generations of actors and actresses in the youth theatre. She wished it even greater progress and success. She said that her late husband, Zhou Enlai, had seen 30 of the troupe's plays, and often gave instructions.

In recent years, the youth theatre has revived some old plays and staged some new ones. Among them, *Power vs. Law*, which exposes leading cadres who abuse their power, has been among the most popular. It played to more than 200 packed houses to date. Another smash hit was the comic revue *Kekou Kexiao*, which depicts the crackdown on economic criminals. It has played 150 performances in a row.

The China Youth Art Theatre has 320 members, capable of forming five acting groups at a time. In 1984 it plans to put on a record 13 plays in one year.

Italian Singer Wins Beijing Audience

Famed Italian singer Bruno Venturini and pianist Franco Zauli brought the house down at their performances in Beijing in mid April.



Italian singer Bruno Venturini.

Tickets for their two performances at the 2,100-seat concert hall in Zhongshan Park were all sold out in advance.

Venturini enjoys a high reputation for his superb talent in singing traditional *bel canto*. His performances in many other countries have won him great successes. His outstanding contributions to Italian folk songs have also won him a *Saraceno d'oro*, a kind of Oscar for singers. He was also given the title of Classe Nobel by the Milan Learned Society of Literature, Science and Arts.

At Venturini's premiere on April 17, he sang Italian folk songs including *O Sole Mio, Core Negrato,*

Santa Lucia and *Torna a Surriento*, which delighted the audience. Radio stations in Beijing have often broadcast Neapolitan folk songs performed by the famous singers Caruso and Gigli, and Chinese listeners are familiar with this style.

Zauli, who accompanied Venturini, is a composer and conductor as well as an impromptu pianist, and has won several international prizes. As a conductor and pianist, he has worked with Venturini for many years. At the concerts, he played *Concerto d'autunno* to enthusiastic applause.

The Italian artists gave two performances in Xian before arriving in Beijing.

Scientist Finds Valuable Enzymes

Three new enzymes for splitting DNA, believed by experts to be a new finding in genetic engineering research, have been discovered and identified by a Chinese scientist.

Qiang Boqin, 45, an assistant research fellow at the Basic Medical Science Institute of the Chinese Academy of Medical Sciences, found the three limited endonucleases in a laboratory in the United States where he studied and worked for two years, until last February.

A limited endonuclease is a tool for cutting genes out of DNA and reorganizing them, thus changing the characteristics of animals and plants.

The endonucleases which Qiang discovered, named "sfI," "NlaIII" and "NlaIV," have been put on the list of products offered by the US laboratory.

The experts in Beijing said that "sfI" has not been reported elsewhere in the world. It can cut

out longer and more functional gene parts, as compared with the other endonucleases already in use.

Qiang's discovery will help promote research in genetic engineering in China, which is still in the initial stages of study and production of limited endonucleases.

Bladder Regeneration

A 40-year-old woman is doing well with a regenerated bladder after her own bladder was removed because of a malignant tumour not long ago.

The operation was done by Li Liangchun, a department head at the Heilongjiang Provincial Forestry General Hospital.

This was his 127th bladder regeneration case since 1979. Dr. Li is the first surgeon in China to work on this problem. He has an 86 per cent success rate.

Ordinarily, the urine of a patient whose bladder has been removed must be discharged into a bag outside the body, much to the inconvenience of the patient.

With the present operation, the surgeons put a 3-layer fist-sized elastic capsule into the pelvic cavity as a support. The capsule is then filled with 160-180 milliliters of physiological saline, with an inverted V-shaped cavity catheter attached behind.

Twelve to 14 days later, when a coat of membranous tissue has grown around the capsule to form a bladder, the capsule is loosened, drained and pulled out from the urethra. The membrane develops into a completely regenerated bladder within half a year.

Thirty hospitals in China are now doing bladder regeneration operations.

New 'Collected Works of Lenin' Published

A new Chinese edition of *Collected Works of Lenin* will be published in China. Edited by the Bureau for the Translation of Works by Marx, Engels, Lenin and Stalin of the CPC Central Committee, the new 60-volume collection will bring to its Chinese readers more works written after the Russian October Revolution.

The present 39-volume *Collected Works of Lenin* was published two decades ago. Although it has played an important role in disseminating and studying Leninism in China, it has some faults and can no longer meet today's needs. First, many of Lenin's works, especially those published after the October Revolution, are not included. Second, the quality of the translation is not good enough. Third, it includes too few references, and some of them are either too simple or inaccurate. That is why the Central Committee of the Communist Party of China decided to edit and publish the new edition.

The new collection is divided into three sections. The first section (volumes 1-43) contains Lenin's articles, speeches, etc.; the second section (volumes 44-53) contains Lenin's letters; the third (volumes 54-60) contains notes and references.

The new edition improves upon several aspects of its predecessor. The first edition of *Collected Works of Lenin* was translated from the fourth Russian edition published in the 1940s and 1950s. But the new edition is translated and edited by the Chinese from the fifth Russian edition of the collection, adding some works from the Russian edition *Works of Lenin*. The editors followed

the principle of seeking truth from facts while editing the works and compiling the references.

The new edition richly illustrates the full scale of Lenin's ideological heritage. It includes more than 9,000 essays, or 6,000 more pieces than the previous edition. A rather large proportion of the newly collected works, which are more realistic and significant to China's present situation, were written after the October Revolution.

All the translations of the 60 volumes have been carefully checked against the latest Russian editions. The missed and misinterpreted parts in the former edition have all been supplemented or corrected, and the language has become more fluent. Furthermore, the terminology, proper names and quotations have all been corrected and unified.

A preface written by the Chinese editors is attached to each volume of the new collection. Apart from the notes and chronicles, two indices — one of biographical names and the other of documents — have also been added. In the prefaces, the contents and background of each volume are briefly outlined. The number of notes, including footnotes and supplementary notes at the end of the volumes, has doubled, and many of them contain rare references. The index of biographical names gives a brief introduction to more than 5,000 people, while the index of documents includes 16,000 essays and other materials which Lenin mentioned in his works. The two indices will not only offer convenience to researchers, but will also help ordinary readers further their understanding.

The Communist Party of China has always attached great importance to the translation and publication of classical works of Marxism-Leninism. In the past decades, the Party has won a great victory in revolution and construction by integrating the universal truth of Marxism-Leninism with the concrete experiences of China. In this new historical period, in order to build a socialist country with Chinese characteristics and to realize the programme adopted by the 12th Party Congress, it is imperative to continue this integration. Leninism has made great contributions to the three components of Marxism — philosophy, political economics and scientific socialism. It has been especially valuable on problems in building socialism, such as Party building, political power building and economic construction, the development of science and culture, foreign relations and the international communist movement, all of which are not covered in Marxism. Lenin's theories on socialism are more closely linked to China's present-day situation.

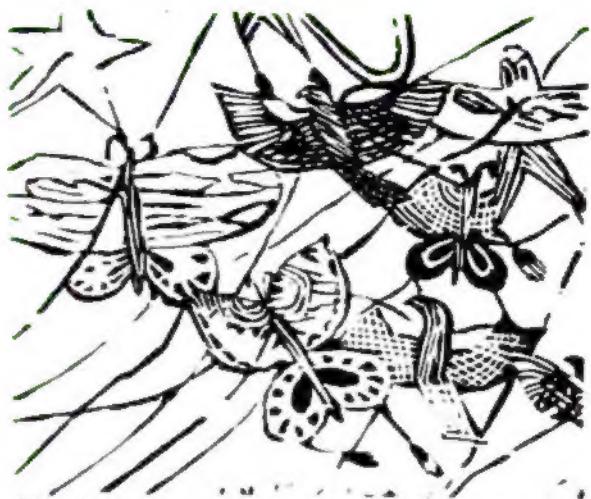
The CPC Central Committee's decision to publish a new edition of *Collected Works of Lenin* is a major event in the Party's political and theoretical life. The new books will create more favourable conditions for the Chinese people to study Marxism-Leninism systematically. They will also serve as a reliable tool for theoretical education in China.

The first four volumes of the new edition will be published this year, and the whole collection will be available by 1990. Eight volumes containing works written after 1917 will be off the press next year, ahead of schedule.



Travel in Space.

by Wang Xiaodong, 10 years old.



Kites in the Breeze.

by Mao Yejun, 11 years old.

Woodcuts by Five Children

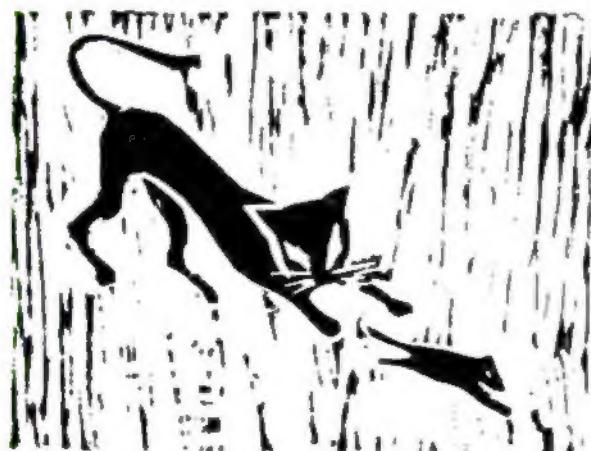


Throwing Snowballs.

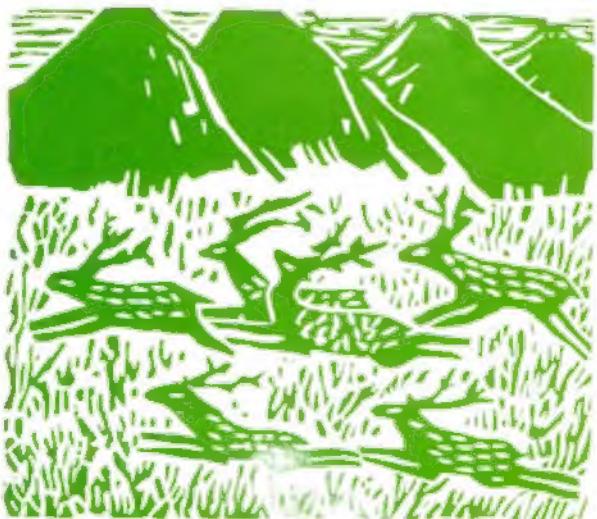
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